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11 FEDERAL HOME LOAN BANK OF SAN FRANCISCO,  
12 ANITA ADAMS AND EMMANUEL UNGSON

13 UNITED STATES DISTRICT COURT  
14  
15 NORTHERN DISTRICT OF CALIFORNIA

16 FREDDIE LAMBRIGHT, JR.,  
17  
18 Plaintiff,

19 vs.

20 FEDERAL HOME LOAN BANK OF  
21 SAN FRANCISCO, ANITA ADAMS,  
22 EMMANUEL UNGSON and DOES 1-50,  
23  
24 Defendants.

Case No. C 07 4340 CW

**DECLARATION OF GREGORY P.  
FONTENOT IN SUPPORT OF  
DEFENDANTS' MOTION TO DISMISS  
PLAINTIFF'S STATE LAW CLAIMS;  
MOTION TO DISMISS INDIVIDUAL  
DEFENDANTS; PETITION TO COMPEL  
ARBITRATION OF REMAINING CLAIMS**

Date: October 25, 2007  
Time: 2:00 p.m.  
Dept.: 2  
Judge: Hon. Claudia Wilken

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26 //

27 //

28 //

//

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1 I, Gregory P. Fontenot, do hereby declare and state as follows:

2 1. I am employed as Senior Vice President, Human Resources, for the Federal  
3 Home Loan Bank of San Francisco ("the Bank"), defendant in the above-captioned matter. The  
4 following facts are within my personal knowledge and if called as a witness, I could and would  
5 testify competently with respect thereto.

6 2. In my capacity as Senior Vice President, Human Resources, I have direct  
7 access to employee personnel files, including the personnel file of Freddie Lambright, Jr. As a  
8 regular practice, the Bank's Human Resources Department places copies of all documents signed  
9 by its employees in the employees' respective personnel files.

10 3. In my capacity as Senior Vice President, Human Resources, I am familiar  
11 with the Bank's Dispute Resolution Procedure.

12 4. Attached as Exhibit A is a true and correct copy of FHLB's Dispute  
13 Resolution Procedure, as it has been effective since August 2006 and as it is currently contained  
14 in the Bank's Employee Handbook. The Bank has had a Dispute Resolution Procedure in its  
15 Employee Handbook since 1997.

16 5. Attached as Exhibit B is a true and correct copy of Plaintiff's May 14,  
17 1997, Acknowledgment of the Bank's Employee Handbook as contained in his personnel file.

18 6. Attached as Exhibit C is a true and correct copy of Plaintiff's January 9,  
19 2003, "Employee Handbook Annual Acknowledgment" as contained in his personnel file.

20 7. Attached as Exhibit D is a true and correct copy of Plaintiff's January 28,  
21 2004, "Employee Handbook Annual Acknowledgment" as contained in his personnel file.

22 8. Attached as Exhibit E is a true and correct copy of Plaintiff's July 14,  
23 2004, "Employee Handbook, Acknowledgment of Terms and Conditions," as contained in his  
24 personnel file.

25 9. Attached as Exhibit F is a true and correct copy of Plaintiff's January 12,  
26 2005, "Employee Handbook Annual Acknowledgment," as contained in his personnel file.

27 10. Attached as Exhibit G is a true and correct copy of Plaintiff's March 23,  
28 2006, "Employee Handbook Annual Acknowledgment," as contained in his personnel file.

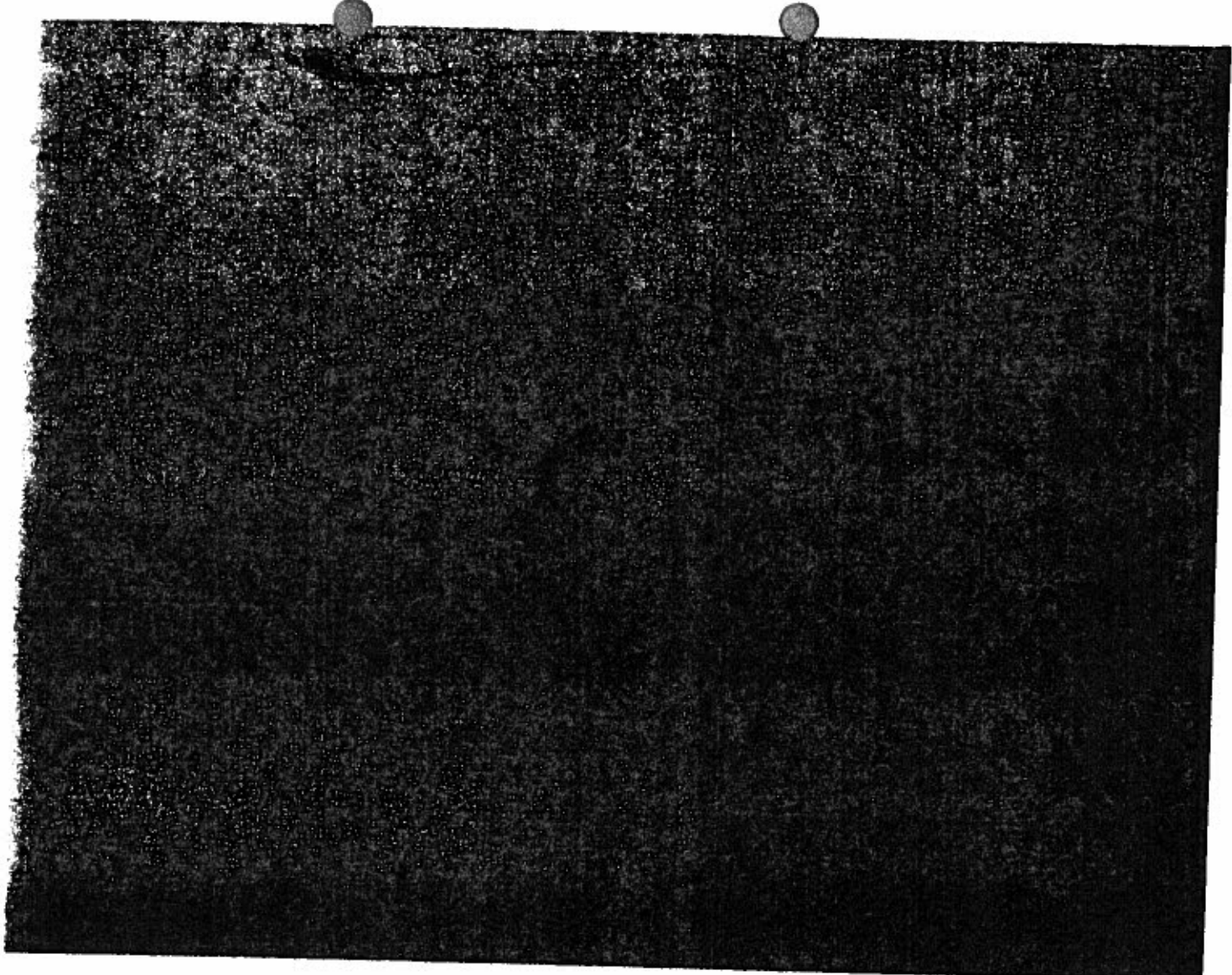
1                   11. Attached as Exhibit H is a true and correct copy of Plaintiff's February 9,  
2                   2007 "Annual Acknowledgments" as contained in his personnel file.

3  
4                   I declare under penalty of perjury under the laws of the United States and of the  
5                   State of California that the foregoing is true and correct.

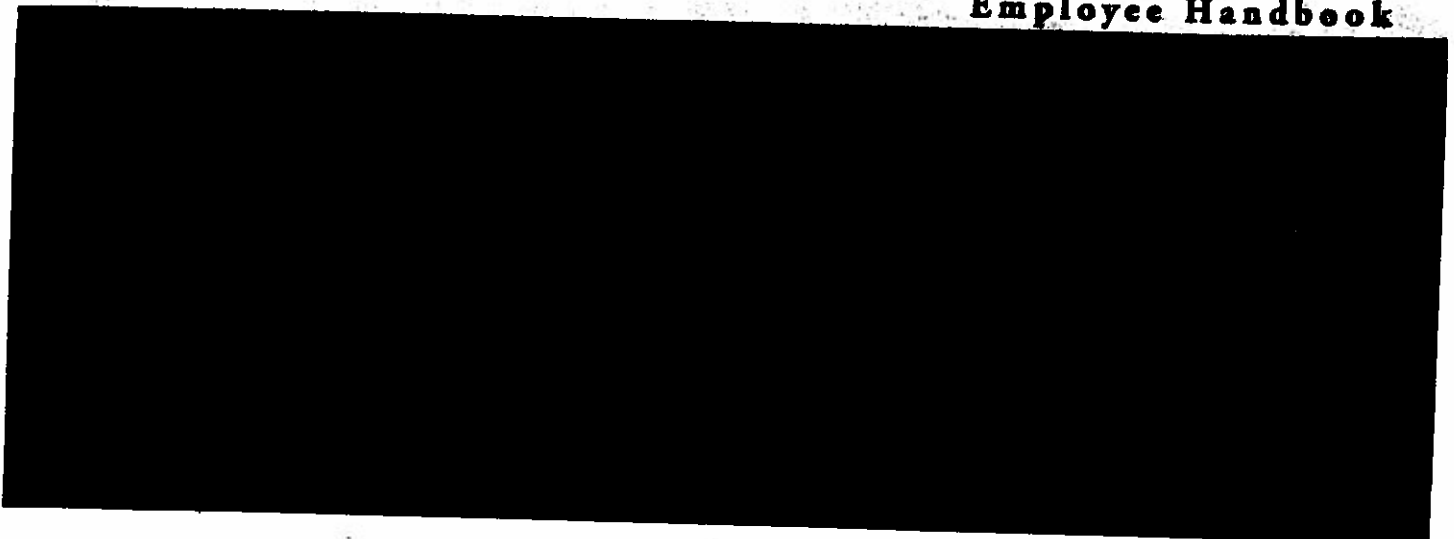
6                   Executed this 9<sup>th</sup> day of October, 2007 at San Francisco, California.

7  
8                     
9                   Gregory P. Fontenot

# EXHIBIT A



**Employee Handbook**



**Federal Home Loan Bank of San Francisco**

**Employee Handbook**

**Revised August 2006**

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be initiated. There will be no discrimination or retaliation against you, or prejudice to your employment, for having reported any incidents of harassment.

Human Resources will immediately and thoroughly investigate every reported complaint of harassment. Typically, the investigation will include the following steps: an interview of the employee who lodged the harassment complaint to obtain complete details regarding the alleged harassment; interviews of anyone who is alleged to have committed the acts of harassment to respond to the claims; and interview of any employees who may have witnessed, or who may have knowledge of, the alleged harassment. Human Resources will notify any employee claiming harassment of the results of the investigation. The investigation will be handled in as confidential a manner as possible consistent with a full, fair, and proper investigation.

In addition to notifying the Bank about harassment complaints, affected employees may also contact the Equal Employment Opportunity Commission ("EEOC"). The Bank will not tolerate retaliation against any employee for making a complaint of harassment or for cooperating in an investigation. If harassment or retaliation is established, the Bank will take appropriate corrective action.

### **Dispute Resolution Procedure**

It is the Bank's policy to resolve work-related problems and misunderstandings as quickly and fairly as possible. For this reason, and as detailed below, the Bank has established a dispute resolution procedure to resolve disputes that may arise from time to time between employees and the Bank.

### **Applicability**

This policy:

- applies to all employees and former employees, and to the Bank, and provides for the resolution of disputes through arbitration, rather than through a jury trial.
- applies to all disputes arising out of the employment relationship between employees or former employees and the Bank, including, but not limited to, (i) allegations of discrimination on the basis of race, color, religion, national origin, sex, sexual orientation, physical or mental disability, status as a Vietnam-era veteran or disabled veteran, age, or any other "protected status" under applicable law and (ii) allegations made in connection with the Bank's policy prohibiting harassment.

**Informal Resolution**

When appropriate, you are encouraged to discuss your concerns with your immediate supervisor first. This provides the supervisor (working with Human Resources) an opportunity to review your concerns and propose an appropriate solution. In many instances, you and the supervisor will be able to agree upon a solution satisfactory to everyone involved without the formal complaint resolution procedure. If your dispute involves your supervisor or you believe that your supervisor has discriminated against you or harassed you, however, you should bring your concerns directly to the attention of a Human Resources representative. Former employees should initially bring their concerns directly to Human Resources, as described below.

**Request for Formal Resolution**

If you do not believe that your dispute has been adequately resolved after attempting an informal solution, you should send the Senior Vice President, Human Resources, a written request for a formal review. A former Bank employee must also provide Human Resources with his/her address and daytime telephone number, and the former Bank position held.

Your request for a formal review must describe in reasonable detail the reason for your dispute, including, but not limited to: the individual(s) involved, the action or treatment that gives rise to the dispute, the approximate time period involved, the identity of any known witnesses with relevant information, a description of any documents that support your position, and what remedy you seek.

**Investigation**

Once you have submitted a written request for a formal review, your dispute will be investigated promptly and thoroughly by the Senior Vice President, Human Resources, or his/her designated representative (which may include, at the Bank's option, an outside consultant). The investigation may include interviews with appropriate individuals and review of any relevant documents. Your dispute will be discussed only with individuals directly involved; those with pertinent information, as appropriate; and Bank counsel, with adequate safeguards to ensure that confidential personal information is treated appropriately.

The Senior Vice President, Human Resources or his/her designated representative will provide you with timely notification of the results of the investigation and any remedies that the Bank proposes. Although any written work product produced during the course of the investigation will remain the property of the Bank and may not be shared with you, you will be given a written summary of findings, be informed of any corrective measures to be taken, and be reminded that you are protected from any retaliation for having filed a complaint. No employee will be harassed, discharged, or otherwise retaliated against as the result of having filed a request for formal resolution or for pursuing any other remedy under this policy.

**Referral of Dispute to Mediation**

If the dispute is not resolved by the internal investigation described above, and if both you and the Bank agree, then the matter may be submitted to non-binding mediation before an outside mediator jointly selected by you and the Bank. In such a case, you and the Bank will share equally the cost of the mediation, and each side will pay for its own counsel (although counsel is not required in a mediation).

**Binding Arbitration**

If any dispute is not resolved by, or submitted to, mediation, and you want to pursue the matter further, you must submit your claim to binding arbitration (except to the extent binding arbitration is not permitted by law). The Bank must also submit any claims it has against employees to binding arbitration; however, the Bank may take other disciplinary action, up to and including termination, instead of, or in addition to, filing its claim in arbitration.

**Selection of Arbitrator**

The arbitrator will be selected in the following manner:

- The Bank will provide you with a list of between 5 and 7 possible third-party neutral arbitrators, each of whom must have served as an arbitrator in at least 10 cases (not including any cases involving the Bank as a party, or counsel for either side). You will be asked to designate at least one of the listed arbitrators as an acceptable choice and return the list to Human Resources within 14 days of receiving the list. If you do not return the list, all of the listed arbitrators will be deemed acceptable to you and the Bank will select an arbitrator from among those listed.
- If you return the list to Human Resources and indicate that none of the listed arbitrators is acceptable, you must present your own list of between 5 and 7 possible third-party neutral arbitrators (each of whom must meet the 10-case minimum requirement described above) to Human Resources within 14 days. If you do not provide such a list within 14 days, all of the listed arbitrators on the Bank's original list will be deemed acceptable to you and the Bank will select an arbitrator from among those listed on its original list. If you do provide such a list within 14 days, the Bank then will have 14 days after you deliver your proposed list to either designate at least one of the listed arbitrators as acceptable or notify you that none of the choices is acceptable.
- If none of the listed arbitrators is acceptable to the Bank, the Bank may, at its option, (i) offer an additional list of similarly qualified third-party neutral arbitrators to you and continue the exchange of lists in the manner described above until both sides agree on an arbitrator, or (ii) defer the selection of an arbitrator to a mutually agreed-upon third party.

**Expenses**

You will not be required to pay anything more in the arbitration process than you would have had to pay had you been permitted to file your claims in court. The arbitrator will determine the amount you would have had to pay in filing fees had you filed your claims in court and will assess you that amount. Other expenses of arbitration, including the arbitrator's fee and expenses, will be paid by the Bank. The cost of producing a witness will be paid by whoever produces the witness. The cost of producing documents or other evidence will be paid by whoever produces the documents or other evidence. The cost of legal counsel for either side will be paid by whoever retains the counsel. The cost of any witnesses or evidence produced at the request of the arbitrator will be paid by either side, within the arbitrator's discretion.

**Discovery**

The arbitrator will have the authority to order such discovery, by way of depositions, interrogatories, document productions, or otherwise, as the arbitrator considers necessary to a full and fair exploration of the issues in dispute, consistent with the expedited nature of arbitration. Generally, however, you and the Bank may each take no more than two depositions at your and the Bank's own expense, unless you and the Bank agree to, or the arbitrator orders, additional depositions. All such depositions must be completed within the time period agreed to by both sides, or as ordered by the arbitrator, but generally no more than 30 days after the selection of the arbitrator.

**Arbitrator's Jurisdiction**

The arbitrator will have authority to manage the arbitration, to decide whether your claim or the Bank's claim has any legal merit, and to grant any relief authorized by law or in equity, including punitive damages. However, the arbitrator may not disregard or refuse to enforce lawful Bank policy, and the arbitrator may not order or require the Bank to adopt a policy that the Bank has not adopted. Likewise, the arbitrator may not disregard applicable provisions of the Federal Home Loan Bank Act (12 U.S.C. §1421 et seq.). The arbitrator will issue a written decision, including a summary of the essential findings and conclusions supporting the decision.

This procedure will be the sole, exclusive and final remedy for any issue submitted to arbitration. Accordingly, neither you nor the Bank may pursue court action or have a jury trial regarding claims that are subject to arbitration (unless otherwise required by law). All disputes and claims subject to this dispute resolution policy must first proceed through the informal resolution process, formal resolution process, investigation, and (if agreed upon) mediation process described above before they may be submitted to arbitration, and may not be submitted to any other forum.

**No Discrimination/Retaliation**

There will be no discrimination or retaliation against you, or prejudice to your employment, for having filed a request for formal resolution or for pursuing any other remedy under this policy, or for

participating in the resolution of a dispute or claim. No Bank officer or supervisor may directly or indirectly discourage use of this dispute resolution policy by an employee.

**Time Limitation for Resolving Disputes**

You must make a request to the Bank for formal resolution, mediation or arbitration of disputes and claims under this policy within one year after the occurrence of the event(s) that gives rise to the dispute or claim, or within any other statutory time limitation that would have applied if you had been allowed to pursue the matter in court, whichever is longer. If you do not do so within such time, you will not be able to pursue your dispute or claim under the Bank's policy or otherwise.

**Bank Records and Disclosures**

The Bank requires complete, accurate, and reliable records to serve as the basis for the Bank's financial reporting and disclosures. Bank employees will take appropriate steps in accordance with their responsibilities to ensure that the Bank's records are complete, accurate, and reliable in all material respects.

In addition, the Bank requires full, fair, accurate, timely, and understandable disclosure in reports and public communications made by the Bank. Bank employees will take appropriate steps in accordance with their responsibilities to ensure that Bank disclosures meet the Bank's requirements and are prepared in compliance with applicable laws, rules, regulations, and accounting principles.

**Financial Reporting and Internal Controls**

The Board of Directors and the Audit Committee of the Board oversee the Bank's financial reporting and internal controls. Bank management and the Bank's Internal Audit Department are fully committed to helping the Board and its Audit Committee meet their oversight responsibilities by providing them with all necessary information in these areas.

Every employee of the Bank shares in the responsibility to make certain that concerns in these areas are addressed. If you have information that concerns you about the Bank's financial reporting, accounting, auditing, or internal controls or a potential fraud at the Bank, you should inform your manager, any other member of management, including the senior vice president responsible for the area of concern or the Bank's President. You may also take your concerns directly to the Director of Internal Audit or any member of the Internal Audit staff. There will be no retaliation against you, or other prejudice to your employment, for having reported any type of concern about financial reporting, accounting, auditing, internal controls, or potential fraud.

We encourage you to identify yourself so the Bank can contact you for additional information if needed. However, if you believe that you cannot take your concerns to a member of management or to the Internal Audit staff, you can communicate the information anonymously to the Bank using EthicsPoint. EthicsPoint is a confidential, independent third-party service that gives you a secure means of

# EXHIBIT B



## ACKNOWLEDGEMENT OF TERMS & CONDITIONS

The *Employee Handbook* describes many of the Bank's policies and procedures and is designed to provide guidelines for management and staff in administering the Bank's personnel policies. This edition contains significant changes from the October 1990 version. Since understanding this material is important to your job success, you should read the *Employee Handbook* carefully and ask your manager or Human Resources if you have any questions about it. Among the significant changes and additions are:

- A description of the Bank's enhanced SEVERANCE POLICY.
- A revised DISPUTE RESOLUTION PROCEDURE, providing for binding arbitration and quicker resolution of employee disputes.
- Revised FAMILY AND MEDICAL LEAVE and DISABILITY LEAVE policies.
- A new policy allowing time off under certain circumstances for SCHOOL VISITS so parents may participate in their child's education.
- A new COMPUTER AND VOICE MAIL SYSTEMS policy.

The *Employee Handbook* is not intended as either an express or an implied contract of employment for any particular length of time between you and the Bank. Every employee has an at-will relationship with the Bank and is free to resign his or her employment at any time, just as the Bank is free to terminate any employee's employment for any or no reason at any time. This at-will status is a requirement of law under the Federal Home Loan Bank Act and cannot be changed by the Bank.

Except for an employee's at-will status, the policies and procedures in the *Employee Handbook* can be changed at any time by a written amendment issued by authorized management.

The policies and procedures contained in this revised *Employee Handbook* will take effect for all Bank employees as of May 30, 1997. These policies and procedures are the operative terms and conditions under which the Bank will offer employment after this date, and they will apply to all employees who report to work after that date, regardless of whether or not they have signed and returned the Acknowledgment.

Please sign and return this Acknowledgment to Human Resources by May 30, 1997.

My signature confirms that I have received the revised *Employee Handbook*. I understand it is my responsibility to read, understand, and follow the policies, practices, and procedures during my employment with the Bank.

FREDDIE LANBRIGHT JR.

Print Name

*Freddie Lanbright Jr.*

Signature

14 May '97

Date

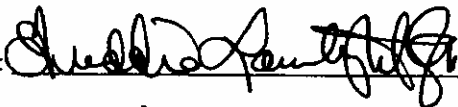
# EXHIBIT C

**EMPLOYEE HANDBOOK  
ANNUAL ACKNOWLEDGMENT**

The Employee Handbook describes the Bank's policies, practices and procedures relating to employment with the Bank. Among other topics, the Employee Handbook addresses the Bank's code of conduct, including the requirement that every employee adhere to the highest standards of ethical conduct at all times in connection with Bank employment (page 3). Other provisions of the Bank's code of conduct include the sections on "Your Responsibilities to the Bank" (page 3), "Conflict of Interest" (page 4), "Limited Borrowing from Member Institutions" (page 7), "Confidentiality of Business Information" (page 8), and others.

To focus attention on the important policies, practices and procedures in the Employee Handbook, the Bank will require each employee to acknowledge annually that the employee has reviewed the Employee Handbook and agrees to comply with its provisions. Please sign and return this form to Human Resources by January 15, 2003.

➤ I acknowledge that I have reviewed and agree to comply with the provisions of the Bank's Employee Handbook.

Signature: 

Print Name: FREDDIE LAMBRIGHT JR.

Date: 1/9/03

January 2003

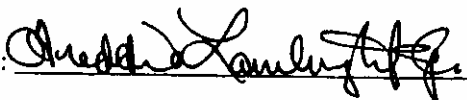
# EXHIBIT D

**EMPLOYEE HANDBOOK  
ANNUAL ACKNOWLEDGMENT**

The Employee Handbook describes the Bank's policies, practices and procedures relating to employment with the Bank. Among other topics, the Employee Handbook addresses the Bank's code of conduct, including the requirement that every employee adhere to the highest standards of ethical conduct at all times in connection with Bank employment (page 3). Other provisions of the Bank's code of conduct include the sections on "Your Responsibilities to the Bank" (page 3), "Conflict of Interest" (page 4), "Limited Borrowing from Member Institutions" (page 7), "Confidentiality of Business Information" (page 8), and others.

To focus attention on the important policies, practices and procedures in the Employee Handbook, the Bank requires each employee to acknowledge annually that the employee has reviewed the Employee Handbook and agrees to comply with its provisions. Please sign and return this form to Human Resources by January 21, 2004.

➤ I acknowledge that I have reviewed and agree to comply with the provisions of the Bank's Employee Handbook.

Signature: 

Print Name: FREDDIE LAMBRIGHT JR.

Date: 28 January, 2004

January 2004

# EXHIBIT E



## Employee Handbook

### Acknowledgement of Terms & Conditions

The Employee Handbook describes many of the Bank's policies and procedures and is designed to provide guidelines for management and staff in administering the Bank's personnel policies. The April 2004 edition contains significant changes from the prior versions and it supercedes and replaces all previous Handbooks, guidelines and practices. Since understanding this material is important to your job success, you should read the Employee Handbook carefully and ask your manager or the Human Resources Department if you have any questions about it. Among the significant changes and additions are:

- A revised outside employment policy that has been modified to include outside business activity;
- A revised Dispute Resolution Procedure, with new mediation and arbitration expense procedures;
- A revised security policy regarding personal visitors to the Bank;
- A revised vacation policy that includes a maximum vacation accrual cap; and,
- New sections have been added, including financial reporting and controls, dress code, workplace violence, telecommuting, domestic violence court related appearance, reduced work schedule for family care leave, California paid family leave, and volunteer firefighter leave.

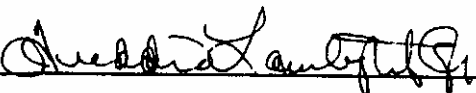
The Employee Handbook is not intended as either an express or an implied contract of employment for any particular length of time between you and the Bank. Every employee has an at-will relationship with the Bank and is free to resign his or her employment at any time, just as the Bank is free to terminate any employee's employment for any or no reason at any time. This at-will status is a requirement of law under the Federal Home Loan Bank Act and cannot be changed by the Bank.

The Employee Handbook is the property of the Bank. It is intended for personal use and reference by employees of the Bank and may not be circulated outside the Bank without prior written approval.

The policies and procedures contained in this revised Employee Handbook became effective for all Bank employees when the revised Handbook was posted to the Human Resources Public Folder on April 13, 2004, and are the terms and conditions applicable to all Bank employees.

Please sign and return this Acknowledgment to Human Resources by July 9, 2004.

I acknowledge that I have reviewed and agree to comply with the provisions of the Bank's Employee Handbook dated April 2004.

Signature: 

Print Name: FRED D. LAMBRIGHT JR.

Date: 14 July '04

# EXHIBIT F





**EMPLOYEE HANDBOOK  
ANNUAL ACKNOWLEDGMENT**

The Employee Handbook describes the Bank's policies, practices and procedures relating to employment with the Bank. Among other topics, the Employee Handbook addresses the Bank's "Code of Conduct" (page 4), including the requirement that every employee adhere to the highest standards of ethical conduct at all times in connection with Bank employment. Other provisions of the Bank's Employee Handbook include sections on "Employee Investments and Other Interests" (page 5), "Limited Borrowing from Member Institutions" (page 7), "Confidential Information" (page 10), and others.

To focus attention on the important policies, practices and procedures in the Employee Handbook, the Bank requires each employee to acknowledge annually that the employee has reviewed the Employee Handbook and agrees to comply with its provisions. Please sign and return this form to Human Resources by January 21, 2005.

► I acknowledge that I have reviewed and agree to comply with the provisions of the Bank's Employee Handbook.

Signature: \_\_\_\_\_

Print Name: FREDDIE LAMBERIC JR

Date: \_\_\_\_\_

1/12/05

January 2005

# EXHIBIT G



**EMPLOYEE HANDBOOK  
ANNUAL ACKNOWLEDGMENT**

The Employee Handbook describes the Bank's policies, practices and procedures relating to employment with the Bank. Among other topics, the Employee Handbook addresses the Bank's "Code of Conduct", including the requirement that every employee adhere to the highest standards of ethical conduct at all times in connection with Bank employment. Other provisions of the Bank's Employee Handbook include sections on "Employee Investments and Other Interests", "Limited Borrowing from Member Institutions", "Confidential Information", and others.

To focus attention on the important policies, practices and procedures in the Employee Handbook, the Bank requires each employee to acknowledge annually that the employee has reviewed the Employee Handbook and agrees to comply with its provisions. An on-line and updated version of the Employee Handbook is available on the Policy page of the Bank's HR intranet. We will advise employees via the Bank's e-mail system as significant changes are made to the Handbook. Employees are responsible for periodically reviewing the Handbook to ensure they are referencing and complying with the most current Bank policies, practices and procedures.

Please sign and return this form to Human Resources no later than March 17, 2006.

➤ I acknowledge that I have reviewed and I agree to comply with the provisions of the Bank's Employee Handbook.

Signature: *Fred Lambright*

Print Name: Fred Lambright

Date: 3/23/06

# EXHIBIT H

Jul-23-2007 16:29

From:FHLBSF

+415 616 2735

T-089

P 002/004

F-665



## ANNUAL ACKNOWLEDGMENTS

Printed Name:

Freddie Lambrigt, Jr

*Instructions: Please print your name on the line above, initial on the line provided next to each acknowledgement statement, and sign and date the second page of this document.*

On-line and updated versions of the Employee Handbook, Insider Trading Policy, and Information Security Policy are available on the Policy page of the Bank's HR intranet. We will advise employees via the Bank's e-mail system as significant changes are made to the Employee Handbook, Insider Trading Policy, and Information Security Policy. Employees are responsible for periodically reviewing the Employee Handbook, Insider Trading Policy, and Information Security Policy to ensure they are referencing and complying with the most current Bank policies, practices and procedures.

**EMPLOYEE HANDBOOK**

The Employee Handbook describes the Bank's policies, practices and procedures relating to employment with the Bank. Among other topics, the Employee Handbook addresses the Bank's "Code of Conduct", including the requirement that every employee adhere to the highest standards of ethical conduct at all times in connection with Bank employment. Other provisions of the Bank's Employee Handbook include sections on "Employee Investments and Other Interests" (page 5), "Acquisition of Interests" (page 6), "Limited Borrowing from Member Institutions" (page 7), "Confidential Information" (page 10), and others. Please note the Confidential Information section of the Employee Handbook has been amended to further define the protections associated with the use of confidential information.

To focus attention on the important policies, practices and procedures in the Employee Handbook, the Bank requires each employee to acknowledge annually that the employee has reviewed the Employee Handbook and agrees to comply with its provisions.

  
initials

I acknowledge that I have reviewed and I agree to comply with the provisions of the Bank's Employee Handbook.

**INSIDER TRADING POLICY**

The Federal Home Loan Bank of San Francisco has adopted an Insider Trading Policy to assist the Bank's directors, officers and employees in avoiding even the appearance of improper conduct relating to insider trading, tipping, and the misappropriation of material nonpublic information for trading purposes in connection with the capital stock of the Bank, the consolidated obligations issued by the Federal Home Loan Banks, the securities of Bank members and former members, and the securities of certain other entities.

In accordance with the Insider Trading Policy, the Bank requires each director, officer and employee of the Bank to certify that he/she understands and will comply with the Insider Trading Policy and has complied with the Insider Trading Policy during the preceding year.

  
initials

I certify that:

- I have reviewed and I agree to comply with the Federal Home Loan Bank of San Francisco Insider Trading Policy; and
- I have complied with the Federal Home Loan Bank of San Francisco Insider Trading Policy during 2006.

Jul-23-2007 16:29

From-FHLBSF

+415 616 2735

T-089

P.003/004

F-665

**INFORMATION SECURITY POLICY**

The information and information systems used by the Federal Home Loan Bank of San Francisco (Bank) are considered essential for effective Bank operations. Accordingly, all users of Bank information systems have a shared responsibility to protect Bank information from inherent risks associated with information systems. The information security program for the Bank has been created to prevent loss or misuse of information assets, and to institute management's directives to reduce security risks associated with these assets and protect their integrity. Please note the Confidential Information section of the Information Security Policy has been amended to further define the protections associated with the use of confidential information.

The Bank's Information Security Policy applies to all users of Bank information systems, including employees, clients, contractors and other individuals who have been granted access to these systems. You have been granted a Network User ID to the Bank's information systems. The Security Policy requires, among other things, that you are responsible for the confidentiality of your password and for actions performed with information access privileges. These privileges are provided for Bank business purposes and must be used in a responsible and ethical manner. In addition, these access privileges may not be shared with or used by any other person. Your session must be logged off at the end of each day. The Bank reserved the right to monitor e-mail, voice mail, internet browsing, processing system activity, and file updates to prevent abuse, misuse, or for any other legitimate business reason. Management will periodically review user access privileges.

If access privileges are no longer needed, it is your responsibility to (i) notify your manager to remove the privileges and (ii) return any Bank equipment issued to you for your use. Additional requirements and responsibilities are contained in the Information Security Policy.

  
initials

I acknowledge that I have reviewed and I agree to comply with the requirements of the Bank's Information Security Policy.

Signature: Date: 9 Feb. 07

Please sign and return this form to Human Resources no later than February 9, 2007.